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No. 90-1264

In the Supreme Court of the United States

OCTOBER TERM, 1990

DIANE M. DILLON, PETITIONER

v.

HARRY F. MANBECK, JR.
COMMISSIONER OF PATENTS AND TRADEMARKS

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF FOR THE RESPONDENT IN OPPOSITION

KENNETH W. STARR
Solicitor General

STUART M. GERSON
Assistant Attorney General

MICHAEL JAY SINGER
JOHN C. HOYLE
Attorneys
Department of Justice
Washington, D.C. 20530
(202) 514-2217

FRED E. MCKELVEY
Solicitor
Patent and Trademark Office
Washington, D.C. 20231

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QUESTIONS PRESENTED

1. Whether a patent examiner establishes a *prima facie* case that a new composition is "obvious" (and therefore non-patentable) for purposes of 35 U.S.C. 103 when the prior art suggests significant practical reasons for making and using the composition, but does not suggest that the composition also would solve a different problem whose solution is recognized by the applicant.

2. Whether the court of appeals erred in concluding that petitioner should be charged with notice of the learning contained in certain preexisting patents.

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OPINIONS BELOW

The opinion of the court of appeals sitting en banc, Pet. App. 1a-79a, is reported at 919 F.2d 688. The opinion of the court of appeals panel is reported at 892 F.2d 1554. The decision of the Board of Patent Appeals and Interferences (Board) of the Patent and Trademark Office (PTO), Pet. App. 80a-91a, is not yet reported.

JURISDICTION

The judgment of the en banc court of appeals was entered on November 9, 1990. Pet. App. 92a. The petition for a writ of certiorari was filed on February 7, 1991. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

STATEMENT

1. Petitioner discovered that she could reduce the particulate emissions (commonly known as soot) that result from the burning or combustion of hydrocarbon fuels by adding to the fuel certain compounds called tri-orthoesters and tetra-orthoesters. One group of preexisting patents (the Sweeney patents) showed that the addition of tri-orthoesters to fluids (both hydrocarbon fuels and nonhydrocarbon fluids) helped to purify the fluids by removing water. A second group of preexisting patents (the Elliot and Houk patents) suggested that tetra-orthoesters were as effective as tri-orthoesters at removing water from nonhydrocarbon fluids. Pet. App. 2a-4a. Because the Sweeney patents already had described the addition of tri-orthoesters to hydrocarbon fuels, petitioner sought a patent only for application of her discovery by means of tetra-orthoesters.

2. Both the patent examiner and the Board refused a patent on the ground that the invention was obvious from the prior art and, therefore, could not be patented under 35 U.S.C. 103. Pet. App. 2a-3a, 80a-81a. Section 103 provides, in pertinent part:

> Conditions for patentability; non-obvious subject matter.
>
> A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. * * *

In the Board's opinion, the prior art teaching that both tri- and tetra-orthoesters were useful for removing water from nonhydrocarbon fluids (the Elliott and Houk patents), coupled with the teaching that tri-orthoesters were useful when added to hydrocarbon fuels (the Sweeney patents), rendered obvious the use of tetra-orthoesters as an additive to hydrocarbon fuels. Pet. App. 85a-86a. As the Board explained (*id.* at 86a):

> Considering the very close structural and chemical similarity between [petitioner's] orthoesters * * * and the * * * orthoesters [described in the preexisting patents], and the fact that the [preexisting] orthoesters were known in the art to be useful as additives for hydrocarbon fuels, such as diesel fuel, there is a reasonable expectation that the prior art compositions will have properties similar to the claim compositions.

The Board also rejected petitioner's argument that the Elliott and Houk patents (which suggested that tetra-orthoesters would produce results similar to those produced by the tri-orthoesters described in the Sweeney patents) were so unanalogous that they could not fairly be considered prior art: "[T]here is * * * abundant suggestion and incentive expressed in the references for using [tetra-]orthoesters; * * * e.g., the close structural and chemical similarity of these and Sweeney's orthoesters." Pet. App. 87a.

Finally, the Board rejected petitioner's claim that she nevertheless was entitled to a patent because her purpose in adding the tetra-orthoester was different from that of the prior art. The Board offered its legal conclusion that differences between petitioner's and the prior art's motivation for adding a component to the composition will not alone render the composition unobvious. "The mere recitation of a newly

discovered *function* inherently possessed by things and processes in the prior art does not cause claims drawn thereto to distinguish over that prior art. Appellant cannot remove from the public domain via a patent that which is inherently taught by the prior art, i.e., the use of orthoesters as additives to hydrocarbon fuels." Pet. App. 88a (emphasis added).

This left only the possibility that petitioner's composition offered some unexpected superior property not contained in the compositions described in the prior art. The Board rejected this claim because "the present record is devoid of any convincing objective evidence supporting such a conclusion." Pet. App. 90a.

3. Petitioner appealed the PTO's final decision to the Court of Appeals for the Federal Circuit pursuant to 28 U.S.C. 1295(a)(4)(A) and 35 U.S.C. 141. A divided panel of the court of appeals reversed, Judge Archer dissenting. 892 F.2d 1554 (1989). The majority concluded that a new composition is not obvious, within the meaning of Section 103, unless there is some suggestion or expectation in the prior art that the new composition will have the same or a similar utility as that discovered by the applicant. 892 F.2d at 1560. The majority held that petitioner's compositions and methods of using those compositions were unobvious because the prior art did not suggest that a combination of hydrocarbon fuel and tetra-orthoesters would "have the properties found by the applicant." *Id.* at 1565.

4. On rehearing, the en banc court of appeals vacated the panel's decision and affirmed the PTO's refusal to grant the patent. Pet. App. 1a. The principal holding of the en banc court was that

> structural similarity between claimed and prior art subject matter proved by combining refer-

> ences or otherwise, where the prior art gives reason or motivation to make the claimed compositions, creates a *prima facie* case of obviousness, and * * * the burden (and opportunity) then falls on an applicant to rebut that *prima facie* case. * * *

Pet. App. 7a. In particular, the court concluded that the examiner can establish a *prima facie* case without showing that there is a "suggestion in or expectation from *the prior art* that the claimed compound or composition will have the same or a similar utility *as one newly discovered by applicant.*" *Id.* at 8a.[1] The court went on to explain that the *prima facie* case can be rebutted in two ways, first, by evidence that there was no incentive under the prior art to make the new composition, and, second, by evidence that the new composition has some superior property not inherently possessed by the preexisting compositions. *Id.* at 9a.

Applying this rule to the facts of this case, the court ruled that the examiner established a *prima facie* case of obviousness and that petitioner failed to rebut it. Pet. App. 9a. The court found that the prior art "provided the motivation to make the claimed compositions in the expectation that they would have similar properties," and that petitioner "did not present any showing of data to the effect that her compositions had properties not possessed by the prior art compositions or that they possessed them to an unexpectedly greater degree." *Ibid.*

The court also rejected petitioner's contention that the Elliott patent was so non-analogous that it could

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[1] On this point, the en banc court specifically overruled an earlier panel decision in *In re Wright*, 848 F.2d 1216 (Fed. Cir. 1988). Pet. App. 8a.

not fairly be considered part of the prior art. The court noted that anyone concerned with fuel oils clearly is chargeable with knowledge of the principal Sweeney patent, and thus chargeable with knowledge of all other references to the tri-orthoesters described there, including the Elliott patent. Pet. App. 10a-11a.

Judges Newman, Cowen, and Mayer dissented because of their disagreement with the majority's standard for establishing a *prima facie* case. Pet. App. 23a-79a. In the dissent's view, a *prima facie* case of obviousness had not been established "[s]ince there is no suggestion in the prior art references, alone or in combination, of the particulate-reducing property and use discovered by [petitioner] for her new compositions." *Id.* at 79a.

ARGUMENT

The decision of the court of appeals reflects the considered judgment of the court to which Congress has given exclusive jurisdiction over patent appeals; accordingly there is no prospect for a conflict with the decisions of any other court of appeals. Moreover, the decision is correct, does not conflict with any decision of this Court, and presents no question warranting this Court's review.

1. Strangely enough, the petition offers no argument, and only a passing challenge, to the principal question considered in the detailed opinions of the en banc court below: whether the patent examiner establishes a *prima facie* case that a composition is obvious by showing motivation to create the composition in the prior art, even if the prior art would have suggested creating the composition for a reason entirely separate from the problem faced by the inventor at hand. See Pet. 23.

a. Judging from the length and vigor of the opinions below, it might seem that this question is important to administration of the patent laws. Nevertheless, a fair consideration of the context of the issue suggests that the actual area of disagreement is quite narrow. It is common ground that no patent can be issued to an inventor for a preexisting composition—however useful or surprising the discovery may be—because this would "remove existent knowledge from the public domain, or * * * restrict free access to materials already available." *Bonito Boats, Inc.* v. *Thunder Craft Boats, Inc.*, 489 U.S. 141, 146 (1989) (quoting *Graham* v. *John Deere Co.*, 383 U.S. 1, 6 (1966)); see also 35 U.S.C. 101 (defining patentable subject matter to include only "any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof").[2] Thus, petitioner's discovery that it was useful to add tri-orthoesters to gasoline is not patentable, because this composition was duplicated by the Sweeney patents; it is of no import that Sweeney did this to reduce water contamination in the fuel and that petitioner did this to reduce pollution.

It also is common ground that, even if the composition in question had never before existed, an inventor could not secure a patent if at the time of the invention the composition would have been obvious in light of the prior art. 35 U.S.C. 103.

The question here falls in the narrow gap between those two rules: can an inventor secure a patent for a composition, never before created, if the prior art did not address the problem before the inventor but did suggest an obvious reason to make the com-

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[2] For a general discussion of this point, see *Bonito Boats*, 489 U.S. at 146-149.

position to solve a problem not considered by the inventor. The lower court held only that such facts set forth a *prima facie* case that the claimed composition is obvious and thus nonpatentable. Although this may resolve a substantial question of patent procedure, we submit that it is difficult to establish the true breadth of this holding at this time, because this particular case has only described the steps necessary to establish a *prima facie* case. Until the Federal Circuit applies this rule in subsequent cases in which inventors attempt to rebut the *prima facie* case,[3] this Court could not form a clear opinion as to the exact requirements the Federal Circuit will apply to applications for patents in this area. This alone is adequate reason why the question does not merit the attention of the Court at this time.

b. Petitioner also seems to argue that the language of 35 U.S.C. 103 is inconsistent with the decision below.[4] That Section provides that a patent cannot be obtained if "the subject matter as a whole would have been obvious" in light of the prior art. The court of appeals' decision in substance assumes that the phrase "subject matter as a whole" refers to the composition being patented. For petitioner's claim to be correct, the phrase "subject matter as a whole" must mean "the composition and its beneficial properties discovered by the Applicant." The court of appeals' reading seems more persuasive, because it is

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[3] As both the court of appeals and the board noted, petitioner made no attempt to rebut the *prima facie* case. Pet. App. 9a, 90a-91a.

[4] Although much—if not all—of this discussion appears to relate to the second question presented, it is useful at this point to discuss the guidance the statute offers on the first question.

consistent with the teaching of *Graham*, referred to above, that patents cover objects, not properties; the subject matter of a patent cannot be the properties of an object, but only the object itself. Cf. *O'Reilly* v. *Morse*, 56 U.S. (15 How.) 62, 112-114 (1854) (affirming a patent for invention of the telegraph, but refusing to permit a patent for the scientific principle that operated it). In sum, although the language may not resolve this problem indubitably, it certainly weighs in favor of the decision of the court of appeals.

c. The decision of the court of appeals on this point is consistent with this Court's precedents. As the petition recognizes, Pet. 12, the principal case on application of Section 103 is *Graham*. But a careful reading of the relevant passages in *Graham* reveals —at least with respect to the dispute involved here— little more than a restatement of the statute. See 383 U.S. at 17-19. Petitioner has cited nothing from *Graham*, and there is nothing in *Graham*, that conflicts with the decision below.

2. The principal argument in the petition addresses a point only briefly discussed in the opinions below: whether it was fair to charge petitioner with knowledge of the Elliott patent, which suggests that tri-orthoesters and tetra-orthoesters have similar properties. Pet. App. 14-15. This question is extremely narrow and not likely to produce any rule of general application.

In substance, petitioner argues that, because she was studying hydrocarbon fuels, she cannot be charged with knowledge of patents (like the Elliott patent) related to nonhydrocarbon flunds. In the language of the statute (Section 103), she contends that the nonhydrocarbon patents are not "obvious * * * to a person having ordinary skill in the art to which [the] subject matter pertains" because knowledge related to nonhydrocarbon fluids is not part of the art

to which her subject matter pertains. See Pet. 15, 17. But this question presents nothing more than a fact-specific issue as to what types of knowledge are within the ordinary skill of a person performing research in this particular area.[5]

Petitioner attempts to broaden the question by suggesting that the lower courts have expanded Section 103 unduly by adopting a blanket rule that all literature related to any chemical is chargeable to a person having ordinary skill in any endeavor related to that chemical. In the first instance, it is unlikely that such a rule would present an issue of sufficient significance to merit attention by the Court. But in any event this is not a fair reading of the opinions below. Both the court of appeals, Pet. App. 11a, and the Board, Pet. App. 87a, rely specifically on the particular facts disclosed by the relevant patents; there is no basis for drawing any broad holding from their discussions on this point. In sum, there is nothing here beyond a fact-specific conclusion that a person of ordinary skill familiar with the Sweeney patents would

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[5] Petitioner's oblique reliance (Pet. 21) on *Potts* v. *Creager*, 155 U.S. 597 (1895), does not advance her cause. In *Potts*, it was apparent that some inventive work would have to be applied to the prior art to make it useful in the problem for which a patent was sought. See *id.* at 602-603. In this case, by contrast, the prior art strongly suggested manufacture of the precise composition petitioner seeks to patent. Moreover, nothing in *Potts* suggests that the Elliott patents were not so closely related to petitioner's work as to be part of the prior art. On this point, petitioner's repeated protestations that the court of appeals failed to recognize that Section 103 commands a focus on the perspective of the inventor, see Pet. 14-18, are beside the point. It is clear that the focus is on what is obvious to one involved in the inventor's area of study; the question, rather, is how broadly that area should be defined.

be familiar with other patents discussing use of the same process in closely-related chemicals. In light of the strikingly close relation between the chemicals in question and in light of the similarity between the areas of research (both of which use substantially identical chemicals to improve the characteristics of fluids used in automobiles), the resolution of this question by the court of appeals does not warrant review by this Court.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

KENNETH W. STARR
Solicitor General

STUART M. GERSON
Assistant Attorney General

MICHAEL JAY SINGER
JOHN C. HOYLE
Attorneys

FRED E. MCKELVEY
Solicitor
Patent and Trademark Office

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